

FISCAL NOTE

HB 1032 - SB 1605

February 28, 2007

SUMMARY OF BILL: Requires health insurance plans to provide coverage for hearing aids and for the evaluation, fitting and post-fitting examination of hearing aids for anyone under the age of 18.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$18,500

Increase State Expenditures – Exceeds \$100,000

Increase Local Govt. Expenditures – Exceeds \$100,000*

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation will increase premiums because most health insurance plans do not provide coverage for hearing aids. Such is estimated to exceed \$100,000.

Assumptions:

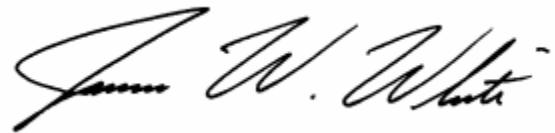
- Currently, the Department of Health provides hearing aids to 15 clients who have private insurance that does not cover the cost of hearing aids. This bill would require the private insurance to reimburse the Department for the costs estimated at \$18,500 (15 X \$1233).
- According to the National Institute on Deafness and Other Communication Disorders, hearing loss affects 17 in 1,000 children. There are approximately 57,000 members in the state and local education health plans that are under the age of 18. It is estimated that 970 (57,000 X .017) suffer from some form of hearing loss.
- If 30% of the children needed hearing aids, the state and local education health plans would provide 291 children with coverage of \$1,500 every 36 months. On average, the state would pay \$500 per year for hearing aids and the total value would be \$145,500. Assuming a 90% benefit level, the plan cost would equal \$130,950 resulting in an increase to the employer's contribution of about \$104,760.
- Local govt. health plans that are not part of the state health plans and that do not provide coverage for hearing aids is estimated to increase expenditures in an amount that exceeds \$100,000.
- The TennCare program is exempted from the provisions of this bill.

HB 1032 - SB 1605

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director